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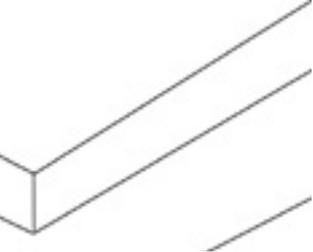
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# TECHNOLOGY TODAY

## What's hot for mobility

*By Steven M. John, SCRP, SGMS-T, and Mary-Grace Ellington, CRP*

Technology is an inescapable part of modern life. We live with technology at home, work, and school. We rely on technology improvements to make our lives better, while at the same time fearing that technology will replace us at work. The mobility industry is no different. So, what's hot right now? Let's look at a few specific technologies that are having a big impact in our industry today.

### **AUTOMATED VALUATION MODELS**

Automated valuation models (AVMs) use a variety of data, including public records, property location, market conditions, and even Google images, in sophisticated algorithms to estimate the market value of real estate. They have been in use for several years in the underwriting process of home equity lending, portfolio and valuation risk monitoring, real estate marketing, and appraiser performance evaluation.

Forecasting automated value models (FAVMs) incorporate forecasting projections that make them especially appealing to relocation due to the industry's need to project a value at the end of a specified marketing time. Initially, these valuation models could serve as a stand-in for an in-person appraisal when appraiser shortages, special properties, and tight turn times are in play. FAVMs could also be used as the third appraiser when appraisals are out of spread, or as a consistent second or supplement. FAVMs should include a forecast standard deviation, which acts as a confidence score, and the companies using them must determine the acceptable parameters. FAVMs are also gaining traction as a pre-marketing valuation tool, in addition to or in lieu of a second broker's market analysis.

Recent experiments to test reliability of AVMs show the results to be comparable to formal, in-person appraisals. While not yet tested in court, 12 U.S. Code § 3354 defines and sets guidelines for use of AVMs in determining collateral values for mortgage lending. As AVMs are further tested, there will be more confidence in their valuation, and we will see a shift to their increased use in the mobility industry in lieu of or in addition to in-person appraisals.





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Fidelity Residential Solutions has been at the forefront of testing these new tools. “In seeking solutions to supplement the current process, our pilot program findings support that the use of various tools, to include the forecasting AVM, can be instrumental in the reduction of time and cost,” says Tine K.H. Dickey, SCR, SGMS, senior vice president and sales manager. “Yet it is important to note that currently AVM products are used primarily for the extension of credit to a qualified buyer, portfolio reviews, and default risk management. This is an entirely different use than establishing the appropriate value of a home for the purpose of reselling to a disinterested third party within a given short period of time. Therefore, the use of an FAVM to determine an offer price is a

more complicated process and warrants ongoing evaluation as to how best to integrate it into the relocation homesale program, as well as collaborative efforts between RMCs and their corporate clients, to determine the extent to which these new approaches ‘fit’ a corporate client’s appetite for changing their current valuation policies.”

These valuation tools can save significant time and money while offering convenience. A typical FAVM can be obtained for a fraction of the cost of a traditional appraisal. Target values

are not fed into the models, and they are not subject to obvious human bias, so there is perceived impartiality. One of the most important factors in performance is the size and relevance of the data used for the valuation basis. This has been improved over time as developers experiment with and hone in on the perfect combination of input factors. What these

valuation tools do not yet consider are appearance, condition, or “appeal,” all of which are requirements of the current Worldwide ERC® appraisal guidelines.

### **DIGITAL HOUSEHOLD GOODS INVENTORY**

Digital household goods (HHG) inventory applications have begun to gain widespread acceptance within the industry. Starting with the estimating process, the surveyor can create a digital list of rooms, furniture, and approximate number and type of boxes required. Pictures can be added to document existing damage or complexities in disassembly or assembly. These photos can aid in reassembly later for a new crew unfamiliar with how the item came apart. Damage claims can be resolved more quickly by having photographic evidence of condition at origin.

Once the packing team arrives on-site, the crew enhances the inventory by selecting items from the survey inventory and adding descriptive and condition information. As boxes are packed, the contents, condition, and room location are added. Handheld Bluetooth scanners and tablet interface make the job easy for the packing crew. The resulting inventory is legible and informative, and it makes the check-in process much easier to follow.

Unlike handwritten listings, the digital inventory also allows for electronic search by keyword to facilitate searching for a specific item or box. Review and check-in by the owner at delivery are thus greatly enhanced. The inventory becomes part of the paperless shipping document, which also makes invoice processing easier. “Effective use of technology minimizes the time spent on the mechanics of the process and allows us to provide a better level of service,” says Pam Deem-Hergan, director of sales and marketing for Alexander’s Mobility Services. “Better service results in increased customer satisfaction, claim reduction, increased asset management, and service consistency door to door.”

While digital inventories are gaining traction, some issues still exist. Some less tech-savvy owner-operators are leery of the new technology, slowing acceptance. Carriers are resorting to incentives, and in some cases punitive action, to speed the rollout among their crews. Citing privacy concerns, transferees are sometimes reluctant to allow photographs to be taken inside the home. Overall, digital inventories hold much promise in helping to streamline the process of tracking and checking inventory, and they should help to reduce loss claims as such inventories and comprehensive scanning become more prevalent.

### VIDEO HOUSEHOLD GOODS SURVEYS

Virtual move surveys are gaining ground very quickly. Because it is cheaper and more convenient for both carriers and transferees, HHG carriers are finding video survey technology to be the next “must-have” tool in the toolbox. Existing technology allows customers to download a smartphone app, join a call with a customer services representative, and walk around their home taking video. Furniture, appliances, lamps, accessories, and personal items can all be easily documented with a simple sweep of the camera. Additionally, carriers can get an excellent perspective on access points, angles of staircases, closet size and position, gates, fences, low-hanging trees, and furniture condition. The video, along with certain parameters, is uploaded for review and the creation of an estimate. Utilizing experienced survey personnel and aided by sophisticated image recognition software, the survey company can create a very accurate survey and initial digital inventory sheet without ever leaving the office.

“Video surveys are a wonderful example of a win-win situation in the moving industry,” says Daniela Alpert, GMS, co-founder of Shyft (formerly Crater). “Each benefit is experienced by both sides—for example, convenience. Move consultants can do more surveys per day, deliver quotes faster, and ultimately book more moves. Transferees can schedule appointments at the time that suits them, have everything done in 15–30 minutes, and get back to being productive on their end, too.”

A traditional in-person survey can be very expensive. Factoring in scheduling, travel, time, and paperwork, traditional surveys can cost more than \$250 to administer. They can be difficult to schedule around a customer’s demands, and transferees are often uncomfortable with having a stranger poking around in their

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home. In rural areas, travel expenses mount, and in some cases trained survey personnel are not available. With virtual surveys, scheduling is a breeze. Remote personnel, often in opposing time zones, can easily handle surveys after working hours and on weekends. The customer handles the camera and can point out items of special importance. Virtual surveys can be conducted for less than \$100. Not only are the cost savings significant, but estimates can also be turned around in a matter of hours from the completion of the initial video. And, who knows, we may someday see these virtual surveys conducted by drones!

### EMBRACE CHANGE

Change is constant. Around 500 B.C., the ancient Greek philosopher Heraclitus is credited with the saying “Panta rhei,” meaning “All things change.” It is doubtful he was the first to have this thought. Unique, though, is his idea that suffering in life is not the result of change—that change is inevitable, but suffering results from clinging to the old, comfortable ways and resisting the changes that are part of the journey of life. Those who can embrace and accept change are those who will be the most happy and successful in life. *M*

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